

103D CONGRESS  
1ST SESSION

# S. 1116

To amend the Internal Revenue Code of 1986 to clarify the deduction for expenses of certain home offices, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

JUNE 16 (legislative day, June 15), 1993

Mr. BURNS introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend the Internal Revenue Code of 1986 to clarify the deduction for expenses of certain home offices, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. CLARIFICATION OF DEDUCTION FOR EX-**  
4 **PENSES OF CERTAIN HOME OFFICES.**

5 (a) IN GENERAL.—Subsection (c) of section 280A of  
6 the Internal Revenue Code of 1986 (relating to exceptions  
7 for certain business or rental use; limitation on deductions  
8 for such use) is amended by adding at the end the follow-  
9 ing new paragraph:

1           “(7) TREATMENT OF HOME OFFICE AS PRIN-  
2           CIPAL PLACE OF BUSINESS.—For purposes of para-  
3           graph (1)(A), if—

4                   “(A) management or administrative activi-  
5                   ties are essential to the trade or business of the  
6                   taxpayer,

7                   “(B) the only available office for such ac-  
8                   tivities is in the dwelling unit of the taxpayer,

9                   “(C) such office is essential to such trade  
10                  or business, and

11                  “(D) the taxpayer spends a substantial  
12                  amount of time in such office,

13                  the portion of such dwelling unit which is used ex-  
14                  clusively on a regular basis for such office shall be  
15                  treated as the principal place of business for such  
16                  trade or business.”

17           (b) EFFECTIVE DATE.—The amendment made by  
18           subsection (a) shall apply to taxable years beginning on,  
19           before, or after the date of the enactment of this Act.

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